

**504.1405 Effect of dissolution.**

1. A dissolved corporation continues its corporate existence but shall not carry on any activities except those appropriate to wind up and liquidate its affairs, including all of the following:

- a. Preserving and protecting its assets and minimizing its liabilities.
- b. Discharging or making provision for discharging its liabilities and obligations.
- c. Disposing of its properties that will not be distributed in kind.
- d. Returning, transferring, or conveying assets held by the corporation upon a condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, in accordance with such condition.
- e. Transferring, subject to any contractual or legal requirements, its assets as provided in or authorized by its articles of incorporation or bylaws.
- f. If the corporation is a public benefit or religious corporation, and a provision has not been made in its articles or bylaws for distribution of assets on dissolution, transferring, subject to any contractual or legal requirement, its assets to one or more persons described in section 501(c)(3) of the Internal Revenue Code, or if the dissolved corporation is not described in section 501(c)(3) of the Internal Revenue Code, to one or more public benefit or religious corporations.
- g. If the corporation is a mutual benefit corporation and a provision has not been made in its articles or bylaws for distribution of assets on dissolution, transferring its assets to its members or, if it has no members, those persons whom the corporation holds itself out as benefiting or serving.
  - h. Doing every other act necessary to wind up and liquidate its assets and affairs.
2. Dissolution of a corporation does not do any of the following:
  - a. Transfer title to the corporation's property.
  - b. Subject its directors or officers to standards of conduct different from those prescribed in subchapter VIII.
  - c. Change quorum or voting requirements for its board or members; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws.
  - d. Prevent commencement of a proceeding by or against the corporation in its corporate name.
  - e. Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution.
  - f. Terminate the authority of the registered agent.

2004 Acts, ch 1049, §141, 192

Referred to in §504.1102, 504.1422, 504.1434